

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1766 – SB 1987

April 2, 2009

SUMMARY OF BILL: Requires the Department of Agriculture (DOA) to develop pilot grant projects to be distributed from funds available through the American Recovery and Reinvestment Act (ARRA) of 2009 in Carter, Johnson, Sullivan, and Unicoi counties for aquaculture and viticulture activities. Requires the Department of Transportation, in consultation with the DOA to develop recommendations for highway improvements in support of the agriculture economic growth and grant programs.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$269,700/One-Time

Other Fiscal Impact – Earmarks \$1,010,000 of Tennessee’s distribution of the American Recovery and Reinvestment Act of 2009 for the Department of Agriculture to award 28 grants for aquaculture and viticulture activities.

Assumptions:

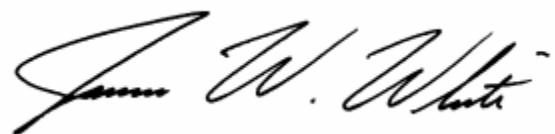
- The Department would contract with a marketing specialist to develop the program criteria, guidelines, application, and a monitoring system. The estimated cost for this specialist is \$2,900.
- An increase in state expenditures for the printing of education and information materials to be distributed through the county extension agents and farm stores in the four-county area as well as advertisement of the grant opportunity via newspapers and television ads. This increase is estimated to be \$20,800.
- Travel expenses estimated at \$6,000 for the promotion, education, and verification of projects.
- Total increase in state expenditures for the development of the pilot grant programs is estimated to equal \$29,700 (\$2,900 + \$20,800 + \$6,000).
- Eight traffic studies will be conducted in the four counties (two per county).

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- According to the Department of Transportation, the cost of a traffic study will equal \$30,000. Total estimated increase in state expenditures for the traffic studies will be \$240,000 (\$30,000 x 8 studies).
- Total one-time increase in state expenditures is estimated to be \$269,700 (\$29,700 + \$240,000).
- The Department of Agriculture will make \$1,010,000 available for grants to persons in Carter, Johnson, Sullivan, and Unicoi counties for activities in viticulture and agriculture from money received from the ARRA.
- The grantees would provide a 50 percent match in funds.
- Two types of grants would be available for Aquaculture.
- Type One grants would be available for equipment, planning, construction, repair, renovation, and maintenance of new tilapia processing facilities. There will be one grant awarded for \$200,000.
- Type Two grants would be available for equipment, planning, construction, repair, renovation, and maintenance of new or existing aquaculture farms including the conversion of existing fish or shellfish farms to tilapia farms. There will be 12 grants awarded for \$15,000 each for a total of \$180,000 in grant money.
- Two types of grants would be available for Viticulture.
- Type One grants would be available for equipment, planning, construction, repair, renovation, and maintenance of grape processing facilities. There will be three grants awarded for \$150,000 each for a total of \$450,000 in grant money.
- Type Two grants would be available for equipment, planning, construction, repair, renovation, and maintenance of new or existing vineyards. There will be 12 grants awarded for \$15,000 each for a total of \$180,000 in grant money.
- Total grants awarded in Carter, Johnson, Sullivan, and Unicoi counties is estimated to equal \$1,010,000 (\$200,000 + \$180,000 + \$450,000 + \$180,000).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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